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Our Ref: CB.5640.18

Date: 17th May 2018

Stichting GET Protocol Foundation

Attn: Mr Maarten Bloemers

RE: TO PROVIDE AN OPINION ON WHETHER YOUR TOKEN IS CONSIDERED A "SECURITY" UNDER THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE

Dear Sir,

1. We refer to the above matter.

2. Please find attached our opinion on your Guaranteed Entrance token ("GET token"). This opinion is limited to the laws of the Republic of Singapore at the date of this opinion and the scope of our engagement under our Warrant to Act signed by you on 3 May 2018 ie. whether your GET token is considered a "security" under the Securities and Futures Act (Cap 289) ("SFA"). Our opinion is further limited to your instructions and your White Paper that you sent to us in your e-mail dated 7 May 2018 at 5:38 PM. **In the event that this opinion is based on inaccurate facts or does not fully represent the facts, kindly let us know as soon as possible.**

3. **We also note that you intend to add additional functions/features to your GET token, which may materially affect our opinion on your GET token. We expressly reserve the right to amend our opinion in the event that you effect any changes to your GET token.**

4. **We are of the opinion that your GET token is unlikely to satisfy the definition of a "security" under the SFA.**

No. 16 Jalan Kilang Timor, #03-03 Redhill Forum, Singapore 159308
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5. In addition, please note that the Securities and Futures (Amendment) Act 2017, that has already been gazetted on 16 February 2017, but has yet to come into effect in toto, will make both substantial and substantive changes to the Securities and Futures Act (Cap 289) ("SFA"), which will materially affect our opinion on your GET token. Therefore, you may wish to seek our further opinion on your GET token when these amendments are put into effect.

6. We also attach herewith a guide to digital token offerings put up by the Monetary Authority of Singapore ("MAS") that you may also wish to refer to.

7. In addition, we also attach herewith the press releases by the MAS on the Proposed Payment Services Bill. Please note that the Bill proposes various amendments that will result in regulation for persons carrying on the business of providing virtual currency services, which includes facilitating the exchange of virtual currency and dealing in virtual currency.

Yours faithfully,

Christopher Bridges

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I. BRIEF FACTS

1. We are instructed that the background and functions of your GET token are as follows.

A. Background

2. According to you, the event ticket market suffers from ticket fraud and exorbitant secondary ticket prices due to its absence of transparency.

3. In light of this, your proposed solution is a blockchain-based event ticketing protocol ("GET Protocol"), which will purportedly provide absolute transparency, through the use of smart tickets for the sale and trade of event tickets.

4. Such transparency will eliminate middlemen who profit from the reselling of tickets without adding any value and also prevent the falsification of event tickets.

5. Therefore, the Stichting GET Protocol Foundation (your "Foundation") was formed to create your GET token, which was made available via an initial coin offering ("token swap") for Ethereum, from the period of 15 November 2017 to 13 December 2017.

B. GET Token

6. We are instructed by your email to us dated 15 May 2018 at 7:10 PM that:

    a. Your GET token functions solely as a form of payment by the various users of your services, to your Foundation for transaction and administration costs
    b. Your GET token does not represent any right to FIAT

C. Further instructions from you

7. We are further instructed by your email to us dated 15 May 2018 at 7:10 PM that:

    a. With regard to your "Guaranteed Exchange Rate" as stated at various points in your White Paper and especially at page 26, your Foundation not only has no obligation to purchase your GET token on the open market but also has no obligation to purchase your GET token on the open market for any particular price.
    b. With regard to the provision of voting rights as stated at various points in your White Paper and especially at page 23, your Foundation is not bound by the results of any vote, which functions merely as a poll, in order to gauge the opinion of GET token holders.

II. THE SECURITIES AND FUTURES ACT (CAP 289, 2006, REV ED)

8. In Halsbury's Laws of Singapore: Securities (Lexis Nexis, 2014) at paragraph 210.001 it is stated that (*all emphasis ours*):

"The *securities and futures industry in Singapore is now regulated largely by the Securities and Futures Act ('SFA') while the Financial Advisers Act ('FAA') governs financial advisory activities* in respect of investment products, the distribution or marketing of specific investment products such as life insurance policies and collective investment schemes."

9. In Hans Tjio, Principles and Practice of Securities Regulation in Singapore (Lexis Nexis, 3rd Ed, 2017) it was stated at paragraph at paragraph 3.01 that (*all emphasis ours*):

"*The present Securities and Futures Act is the primary source of securities laws in Singapore*....the provisions on *investment advice* in the Securities Industry Act, as well as the provisions covering futures *trading advisers* in the Futures Trading Act were put into a new Act, the *Financial Advisers Act.*"

10. It can be seen that securities and futures regime in Singapore is mainly governed by the Securities and Futures Act (Cap 289, 2006 Rev Ed) ("SFA") and the Financial Advisers Act (Cap 110, 2007 Rev Ed).

III. SCOPE OF APPLICATION OF THE SECURITIES AND FUTURES ACT

A. Application

11. Under subsection 2(1) of the SFA, "capital market products" is defined as follows (*all emphasis ours*):

""capital markets products" means any *securities*, futures contracts, contracts or arrangements for the purposes of foreign exchange trading, contracts or arrangements for the purposes of leveraged foreign exchange trading, and such other products as the Authority may prescribe as capital markets products;"

12. Under subsection 2(1) of the SFA, "regulated activity" is defined as follows (*all emphasis ours*):

""regulated activity" means *an activity specified in the Second Schedule*;"

13. Under the Second Schedule of the SFA, "regulated activity" is specified as follows (*all emphasis ours*):

"The following are regulated activities for the purposes of this Act:
(a) dealing in *securities*;
(b) trading in futures contracts;
(c) leveraged foreign exchange trading;

(d) advising on corporate finance;

(e) fund management;

(ea) real estate investment trust management;

(f) securities financing;

(fa) providing credit rating services;

(g) providing custodial services for securities."

14. In Halsbury's Laws of Singapore: Securities (Lexis Nexis, 2014) at paragraph 210.002 it is stated that (*all emphasis ours*):

"*The licensing requirements in the SFA will apply* if the financial product in question *falls within the definition of securities* or futures contract, as the case may be."

15. It can be seen that should your GET tokens satisfy the definition of a "security", the regulations under the SFA may be applicable to you.

B. Extra-territorial application

16. In the case of *Yong Vui Kong v Public Prosecutor* [2012] 2 SLR 0872 at paragraph 41, the court held that (*all emphasis ours*):

"....there is an established rule of statutory interpretation that *a domestic statute has no extra-territorial effect unless it is expressed to have such effect*, and that *in the absence of such express provision, acts committed outside the jurisdiction are presumed not to constitute an offence* under the relevant domestic statute even if they would have amounted to an offence under that statute had they been committed within the jurisdiction...."

17. Subsection 15(1)(f) of the Supreme Court of Judicature Act (Cap 322, 2007 Rev Ed) provides that (*all emphasis ours*):

"15.—(1) The High Court shall have jurisdiction to try all offences committed —

(f) *in any place* or by any person *if it is provided in any written law that the offence is triable in Singapore.*"

18. Subsection 50(2)(d) of the State Courts Act (Cap 321, 2007 Rev Ed) provides that (*all emphasis ours*):

"(2) The criminal jurisdiction of a District Court shall be exercisable where the offence is committed —

(d) *in any place* or by any person *if it is provided in any written law that the offence is triable in Singapore.*"

19. It can be seen that a Singapore statute is unlikely to apply outside the territory of Singapore unless that statute expressly states otherwise. Where this is the case, the Singapore courts will also have jurisdiction to try an offence under the same notwithstanding that the offence may be committed outside the territory of Singapore.

(1) Generally, the SFA has extra-territorial application

20. In Halsbury's Laws of Singapore: Securities (Lexis Nexis, 2014) at paragraph 210.004 it is stated that (*all emphasis ours*):

"*The provisions under the Securities and Futures Act ('SFA') which deal with the regulation of markets have extra-territorial effect.* Where a person does an act partly in Singapore and partly outside Singapore which, if done wholly in Singapore, would constitute an offence against any provision of the SFA, that person will be guilty of an offence and may be dealt with as if the offence was committed wholly in Singapore. If a person does an act entirely outside Singapore which has a substantial and reasonably foreseeable effect in Singapore and which would, if carried out in Singapore, constitute an offence under the SFA. that person will be guilty of that offence as if the act were committed in Singapore. The SFA gives the Monetary Authority of Singapore power to circumscribe the extra-territorial effect of these provisions."

(2) The SFA is expressly stated to apply extra-territorially to acts carried out only partially in Singapore

21. Subsection 339(1) of the SFA provides (*all emphasis ours*):

"Extra-territoriality of Act

339.—(1) Where a person does *an act partly in and partly outside Singapore which, if done wholly in Singapore, would constitute an offence* against any provision of this Act, that person *shall be guilty of that offence as if the act were carried out by that person wholly in Singapore*, and may be dealt with as if the offence were committed wholly in Singapore."

22. It can be seen generally that notwithstanding that an act, which constitutes an offence under the SFA may only be carried out partially in Singapore, the SFA may still apply since the act is deemed to be committed entirely in Singapore.

(3) The SFA is expressly stated to apply extra-territorially to acts carried outside Singapore

23. Subsection 339(2) of the SFA provides (*all emphasis ours*):

"(2) Where —

(a) a person does *an act outside Singapore* which has a *substantial and reasonably*

foreseeable effect in Singapore; and

(b) that act would, if carried out in Singapore, constitute an offence under any provision of Part II, IIA, III, IV, VIII, XII, XIII or XV,

that person *shall be guilty of that offence as if the act were carried out by that person in Singapore,* and may be dealt with as if the offence were committed in Singapore."

24. In Hans Tjio, Principles and Practice of Securities Regulation in Singapore (Lexis Nexis, 3rd Ed, 2017) it was further stated at paragraph at paragraph 4.18 that (*all emphasis ours*):

"Section 339(2) is an instance of the effects doctrine in international law…"

25. The seminal pronouncement of the "effects doctrine" can be found in the case of *US v Aluminium Co of America* 148 F 2d 416 (2d Cir. 1945) at page 443, where Learned Hand J held that (*all emphasis ours*):

"….any state may *impose liabilities*, even upon persons not within its allegiance, *for conduct outside its borders that has consequences within its borders* which the state reprehends; and these liabilities other states will ordinarily recognize."

26. In the case of *Public Prosecutor v Taw Cheng Kong* [1998] 2 SLR(R) 0489 at paragraph 88, the court held that (*all emphasis ours*):

"As Singapore becomes increasingly cosmopolitan in the modern age of technology, electronics and communications, it may well be more compelling and effective for Parliament to *adopt the effects doctrine as the foundation of our extraterritorial laws in addressing potential mischief*."

27. It can be seen generally that notwithstanding that an act, which constitutes an offence under the SFA may be carried out outside Singapore, the SFA would still apply since the act is deemed to be committed entirely in Singapore on the condition that the requirement of a substantial and reasonably foreseeable effect in Singapore is satisfied.

(4) Interpretation of "substantial and reasonably foreseeable effect"

28. Subsection 321(5) of the SFA provides (*all emphasis ours*):

"(5) Any person who *fails to comply with any of the provisions of a code, guideline, policy statement or practice note* issued under this section that applies to him shall not of itself render that person liable to criminal proceedings but any *such failure may, in any proceedings* whether civil or criminal, *be relied upon by any party to the proceedings as tending to establish or to negate any liability* which is in question in

the proceedings."

29. Subsection 321(1) and 321(2) of the SFA provides (*all emphasis ours*):

"Codes, guidelines, etc., by Authority

321.—(1) *The Authority may issue*, in such manner as it considers appropriate, such *codes, guidelines, policy statements, practice notes* and no-action letters as it considers appropriate for providing guidance —

(a) in furtherance of its regulatory objectives;

(b) in relation to any matter relating to any of the functions of the Authority under any of the provisions of this Act; or

(c) in relation to the operation of any of the provisions of this Act.

(2) *The Authority may publish any such code, guideline, policy statement, practice note* or no-action letter, and in such manner as it thinks fit."

30. Subsection 2(1) of the SFA provides (*all emphasis ours*):

"*"Authority" means the Monetary Authority of Singapore* established under the Monetary Authority of Singapore Act (Cap. 186);"

31. It can be seen that while the guidelines put forth by the MAS do not have the force of law, compliance with such guidelines put forth from time to time by MAS is essential.

(5) The guidelines put forth by MAS on the interpretation of "substantial and reasonably foreseeable effect"

32. The relevant portions in the Guidelines on the Application of Section 339 (Extra-territoriality) of the Securities and Futures Act issued by MAS on 27 February 2004 provides at paragraph 4.4 to 4.4.2 (*all emphasis ours*):

"4.4....In considering whether section 339(2) applies to a foreign entity for an act carried out wholly outside Singapore, *the factors that MAS would take into consideration include, but are not limited to the following:*

4.4.1 *"Substantial"*

a) *The number of persons in Singapore* to whom an offer of services or an invitation to engage in any conduct that involves the carrying out of an activity regulated under Part II, III, IV or XIII ("the relevant act") is made; or

b) *Whether the act has a significant or adverse impact on the soundness, stability and safety* of Singapore's financial system, or on public or investor confidence in the soundness, stability and safety of Singapore's financial system, or is *detrimental to the public interest or the protection of investors*.

4.4.2 *"Reasonably foreseeable"*

Whether –

a) the *offer of services or the invitation to engage in any conduct* that involves the carrying out of the relevant act is *made to persons in Singapore*;

b) *any advertisement or published information* about an offer of services or invitation to engage in any conduct that involves the carrying out of the relevant act *is directed or targeted at persons in Singapore*;

c) the *foreign entity accepts or appears willing to accept orders or applications from persons in Singapore* to engage in any conduct that involves the carrying out of the relevant act;

d) the *foreign entity enters into contractual relationships with persons in Singapore* in connection with the carrying out of the relevant act; or

e) the *offer is priced in Singapore dollars*."

IV. WHETHER THE GET TOKENS ARE SECURITIES UNDER THE SECURITIES AND FUTURES ACT

A. The GET token is unlikely to fall within the definition of a "security"

33. Under subsection 2(1) of the SFA, "securities" is defined as follows:

""securities" mean -

(a) debentures or stocks issued or proposed to be issued by a government;

(b) debentures, stocks or shares issued or proposed to be issued by a corporation or body unincorporate;

(c) any right, option or derivative in respect of any such debentures, stocks or shares;

(d) any right under a contract for differences or under any other contract the purpose or pretended purpose of which is to secure a profit or avoid a loss by reference to fluctuations in —

i. the value or price of any such debentures, stocks or shares;

ii. the value or price of any group of any such debentures, stocks or shares; or

iii. an index of any such debentures, stocks or shares;

(e) any unit in a collective investment scheme;

(f) any unit in a business trust;

(g) any derivative of a unit in a business trust; or

(h) such other product or class of products as the Authority may prescribe.

but does not include —

i. futures contracts which are traded on a futures market;

ii. bills of exchange;

iii. promissory notes;

iv. certificates of deposit issued by a bank or finance company whether situated in Singapore or elsewhere; or

v. such other product or class of products as the Authority may prescribe as not being securities;"

(1) The GET token is unlikely to fall within the definition of a "share"

34. Under subsection 2(1) of the SFA read with subsection 4(1) of the Companies Act (Cap 50, 2006 Rev ed) ("CA") a "share" is defined as follows:

> ""share" means share in the share capital of a corporation and includes stock except where a distinction between stocks and shares is expressed or implied"

35. In the locus classicus, *Borland's trustee v Steel Brothers & Co Ltd* [1901] 1 Ch 279 at page 288, Farwell J held that (*all emphasis ours*):

> "A share is the *interest of a shareholder in the company* measured by a sum of the money, for the purpose of liability in the first place and of interest in the second, but also *consisting of a series of mutual covenants entered into by all the shareholders* inter se in accordance with [s 39(1) of the CA]"

36. In *Prudential Assurance Co Ltd v Newman Industries Ltd* (No.2) (1939) 61 CLR 457, at page 503 it was held that (*all emphasis ours*):

> "The plaintiff's shares are merely a *right of participation in the company* on the terms of the articles of association."

37. In Tang Cheng Han, Walter Woon on Company Law (Sweet & Maxwell Asia, rev 3rd edition, 2005) it was stated at paragraph 11.5 that (*all emphasis ours*):

> "The ownership of the shares in a company merely confers upon the shareholder two rights: first while the company is a going concern, the *right of participation* on the terms of the memorandum and articles of association; secondly, if and when the company is wound up, the *right to participate in the assets* of the company remaining after all the debts of the company have been paid"

38. In Hans Tjio, Pearlie Koh and Lee Pey Woan, Corporate Law (Academy Publishing, 2015), at paragraph 12.013, "share" was defined as such (*all emphasis ours*):

> "*A share is a chose in action that gives its owner, the shareholder, a bundle of rights against the company* that issued the share. Amongst other thing, shareholders have the *right to dividends*, where it is declared, and possibly even where it is not, if this constitutes an oppression on the minority."

39. In Hans Tjio, Principles and Practice of Securities Regulation in Singapore (Lexis Nexis, 3rd Ed, 2017) it was further stated at paragraph at paragraph 3.14 that (*all emphasis ours*):

"*The right to vote is, however, still the most fundamental right* of a member of the company."

40. **It can be seen that "shares" provide a shareholder a form of ownership in a company. However, your GET token clearly does not provide for any form of ownership in your Foundation.**

41. **Furthermore, your GET token also clearly does not provide for rights to participate in your Foundation whether during the time when your Foundation is a going concern or after it is wound up.**

42. **In addition, a GET token holder also does not owe any mutual covenants to other GET token holders in respect of your Foundation. The GET token also does not entitle a GET token holder to rights to dividends in your Foundation. We also note that you state explicitly at page 9 of your White Paper that your Foundation is not permitted to distribute profits under Dutch Law.**

43. **While your GET token may entitle the GET token holder to voting rights, we reiterate your instructions to us in your email to us dated 15 May 2018 at 7:10 PM that:**

    a. **With regard to the provision of voting rights as stated at various points in your White Paper and especially at page 23, your Foundation is not bound by the results of any vote, which functions merely as a poll, in order to gauge the opinion of GET token holders.**

44. **Therefore, it can be seen that your Foundation is not bound by the outcome of any vote, which may be conducted by your Foundation thus GET token holders do not perform any management function over your Foundation.**

45. **Additionally, we also reiterate your instructions to us in your email to us dated 15 May 2018 at 7:10 PM that:**

    a. **Your GET token functions solely as a form of payment by the various users of your services, to your Foundation for transaction and administration costs**

46. **Therefore, it is unlikely that the GET token will fall under the definition of a "share".**

(2) The GET Token is unlikely to fall within the definition of a "debenture"

47. Under subsection 2(1) of the SFA, a debenture is defined as follows:

> ""debenture", except for the purposes of Part XIII, includes any debenture stock, bond, note and any other debt securities issued by a corporation or any other entity, whether constituting a charge or not, on the assets of the issuer but does not include —
>
> (a) a cheque, letter of credit, order for the payment of money or bill of exchange; or
>
> (b) for the purposes of the application of this definition to a provision of this Act in respect of which any regulations made thereunder provide that the word "debenture" does not include a prescribed document or a document included in a prescribed class of documents, that document or a document included in that class of documents, as the case may be;"

48. Under Part XIII, section 239 of the SFA, a debenture is defined as follows:

> ""debenture" includes debenture stock, bonds, notes and any other debt securities issued by a corporation or any other entity, whether or not constituting a charge on the assets of the issuer but does not include —
>
> (a) a cheque, letter of credit, order for the payment of money or bill of exchange;
>
> (b) subject to the regulations made under this Act, a promissory note having a face value of not less than $100,000 and having a maturity period of not more than 12 months; or
>
> (c) for the purposes of the application of this definition to a provision of this Act in respect of which any regulations made thereunder provide that the word "debenture" does not include a prescribed document or a document included in a prescribed class of documents, that document or a document included in that class of documents, as the case may be;"

49. Under subsection 4(1) of the CA, a debenture is defined as follows:

> ""debenture" includes debenture stock, bonds, notes and any other securities of a corporation whether constituting a charge on the assets of the corporation or not, but does not include —
>
> (a) a cheque, letter of credit, order for the payment of money or bill of exchange;
>
> (b) subject to the regulations, a promissory note having a face value of not less than $100,000 and having a maturity period of not more than 12 months;
>
> (c) for the purposes of the application of this definition to a provision of this Act in respect of which any regulations made thereunder provide that the word "debenture" does not include a prescribed document or a document included

in a prescribed class of documents, that document or a document included in that class of documents, as the case may be;"

50. In the seminal case of *Levy v Abercorris Slate and Slab Co* (1887) 37 Ch D 2670 at page 264, Chitty J held that (*all emphasis ours*):

"In my opinion *a debenture means a document which either creates a debt or acknowledges it*, and any document which fulfils either of these conditions is a 'debenture'. I cannot find any precise legal definition of the term, it is not either in law or commerce a strictly technical term, or what is called a term of art."

51. In Hans Tjio, Principles and Practice of Securities Regulation in Singapore (Lexis Nexis, 3rd Ed, 2017) it was further stated at paragraph at paragraph 3.15 that (*all emphasis ours*):

"However, not all debts are debentures, and consequently such debts are also not considered securities either....*Usage and custom would seem to determine whether the instrument is considered a debenture*. Whereas previously it was thought one *determining factor was the period that the debt was outstanding* (debentures and bonds being long-term debt, whereas notes were short-term), such a distinction is not made in the statutory definition of debenture....What seems to matter more today is whether the *instrument is traded, or seen to be tradable, by investors,* but this means that the definition is extremely contextual and open-ended...."

52. It can be seen that while a "debenture" is not comprehensively defined at common law, under the SFA or the CA, it is clear that a debenture constitutes some form of debt or security owed by a company to the holder of a debenture.

53. As stated at various points in your White Paper and especially at page 26, your "Stability Fund" acts as a "siphon" filled with your GET tokens and Ethereum and is meant to be maintained at 12.6 million GET tokens. This is done by replacing the GET tokens that were supplied to event organisers through the purchase of GET tokens on the open market at, at least the "Guaranteed Exchange Rate".

54. It is stated at page 28 of your White Paper that (*all emphasis ours*):

"Token holders do have to keep in mind that although the GET Foundation is able to guarantee an exchange rate for GET the SF offers to "buy" in exchange for Ether, it cannot guarantee whether and to what extent it can offer to "buy" (exchange") GET as this depends on the use by EOs of the GET Protocol...."

55. **We reiterate your instructions to us in your email to us dated 15 May 2018 at 7:10 PM that:**

    a. **With regard to your "Guaranteed Exchange Rate" as stated at various points in your White Paper and especially at page 26, your Foundation not only has no obligation to purchase your GET token on the open market but also has no obligation to purchase your GET token on the open market for any particular price.**

56. **Therefore, it can be seen that your GET token does not create any form of debt owed by your Foundation to the GET token holder nor it is an acknowledgement of a debt owed by your Foundation even if GET token holders on the open market can trade their GET tokens. There is no link between the GET token holder and any liability, which may be owed by your Foundation.**

57. **Therefore, it is unlikely that the GET token will fall under the definition of a "debenture".**

58. **On the basis that the GET token is unlikely to be considered "shares" or "debentures", the GET token would also be unlikely to fall within limbs (a) – (d) of the definition of "securities" in the SFA reproduced above.**

(3) The GET Token is unlikely to fall within the definition of a "collective investment scheme"

59. Under subsection 2(1) of the SFA, a "collective investment scheme" is defined as follows (*all emphasis ours*):

> ""collective investment scheme" means —
>
> (a) an arrangement in respect of any property —
>
> i. under which —
>
> (A) *the participants do not have day-to-day control over the management of the property*, whether or not they have the right to be consulted or to give directions in respect of such management; *and*
>
> (B) *the property is managed as a whole by or on behalf of a manager*;
>
> ii. under which *the contributions of the participants and the profits or income from which payments are to be made to them are pooled*; *and*
>
> iii. the purpose or effect, or purported purpose or effect, of which is to enable the participants (whether by acquiring any right, interest, title or benefit in the property or any part of the property or otherwise) —
>
> (A) to participate in or receive profits, income, or other payments or returns arising from the acquisition, holding, management or disposal of, the exercise of, the redemption of, or the expiry of, any

right, interest, title or benefit in the property or any part of the property; or

(B) to receive sums paid out of such profits, income, or other payments or returns; or

(b) an arrangement which is an arrangement, or is of a class or description of arrangements, specified by the Authority as a collective investment scheme by notice published in the Gazette...."

60. In Halsbury's Laws of Singapore: Securities (Lexis Nexis, 2014) at paragraph 210.487, it was stated that there are two ways a financial instrument may fall to be considered a "collective investment scheme" (*all emphasis ours*). First, by satisfying the definition of (1). Second, being defined as a "collective investment scheme" by MAS under (2).

"Meaning of 'collective investment scheme'
An offer of units in a collective investment scheme has to comply with the provisions of the Securities and Futures Act. A 'collective investment scheme' means:

(1) an arrangement in respect of any property:

(a) under which the *participants do not have day-to-day control over the management of the property*, whether or not they have the right to be consulted or to give directions in respect of such management, and the *property is managed as a whole by or on behalf of a manager*;

(b) under which the *contributions of the participants and the profits or income from which payments are to be made to them are pooled*; *and*

(c) the purpose or effect, or purported purpose or effect, of which is to enable the participants (whether by acquiring any right, interest, title or benefit in the property or any part of the property or otherwise): (i) to participate in or receive profits, income, or other payments or returns arising from the acquisition, holding, management or disposal of, the exercise of, the redemption of, or the expiry of, any right, interest, title or benefit in the property or any part of the property; or (ii) to receive sums paid out of such profits, income, or other payments or returns; or

(2) an arrangement which is *an arrangement, or is of a class or description of arrangements, specified by the Monetary Authority of Singapore as a collective investment scheme* by notice published in the Gazette,...."

61. In Hans Tjio, Principles and Practice of Securities Regulation in Singapore (Lexis Nexis, 2nd Ed, 2011) it was further stated at paragraph at paragraph 3.16 that (*all emphasis ours*):

"*...the definition of a collective investment scheme....has concurrent requirements* that require delegation to a manager, pooling of monetary contributions and profits (thus effectively excluding timeshares and club memberships), and the sharing of what appears to be profits in pecuniary form ('the profits or income from which payments are to be made to them are pooled' and 'profits, income, or other payments or returns' rather than 'profits, rent or interest' as was the case in the definition of 'interests' under section 107 of the Companies Act)."

62. **With regard to limb (a) section 2 of the SFA, the requirement under subsection (a)(i)(A) is unlikely to be satisfied. This is because a GET token holder is an active participant who has full ownership and control of his GET tokens. Therefore, a GET token holder is akin to a purchaser of a good of utility (i.e. the GET token) rather than an investor.**

63. **The requirement under subsection (a)(i)(B) is also unlikely to be satisfied. This is because GET token holders retain management of their GET tokens and your Foundation does not have any control over the GET token holders' tokens.**

64. **The requirement under subsection (a)(ii) is also unlikely to be satisfied. Although the contributions made by prospective GET token holders in the form of Ethereum are pooled, subsection (a)(ii) is conjunctive due to the use of the word "and" and further requires that the profits or income from which payments are to be made to GET token holders are pooled. However, it can be seen from the functions of the GET token that it does not entitle a GET token holder to any profits or income. We reiterate page 9 of your White Paper, where you state that your Foundation is not permitted to distribute profits under Dutch Law.**

65. **Furthermore, due to the use of the word "and" between subsections (a)(i)(A) and (a)(i)(B), as well as between subsections (a)(ii) and (a)(iii), the requirements under subsection (a) are conjunctive. This is also explicitly stated in Hans Tjio, Principles and Practice of Securities Regulation in Singapore (Lexis Nexis, 2nd Ed, 2011) at paragraph 3.16 reproduced above. Under (1), Halsbury's Laws of Singapore: Securities (Lexis Nexis, 2014) at paragraph 210.487 reproduced above also makes it clear that these requirements are conjunctive.**

66. **Therefore, since subsections (a)(i)(A), (a)(i)(B) and (a)(ii) are unlikely to be satisfied, it is unlikely that your GET token swap will satisfy the definition of a CIS under limb (a) of the definition of a CIS reproduced above.**

67. **In addition, with regard to limb (b) of section 2 of the SFA reproduced above, MAS has not officially classified a token swap as a CIS.**

68. **On the basis that the GET token swap is unlikely to satisfy the definition of a CIS since the GET tokens do not have the properties stated above, the GET tokens would also be unlikely to constitute a unit in a CIS, thus addressing limb (e) of the definition of "securities" in the SFA.**

(4) The GET Token is unlikely to fall within limbs (f) to (h) of the definition of "securities"

69. Under subsection 2(1) of the SFA, a "business trust" is defined as follows:

> ""business trust" has the same meaning as in section 2 of the Business Trusts Act (Cap. 31A);"

70. Under section 2 of the Business Trusts Act, a "business trust" is defined as follows (*all emphasis ours*):

> ""business trust" means —
>
> (*a*) *a trust that is established in respect of any property* and that has the following characteristics:
>
> (i) the purpose or effect, or purported purpose or effect, of the trust is to enable the unitholders (whether by acquiring any right, interest, title or benefit in the property or any part of the property or otherwise) to participate in or receive profits, income or other payments or returns arising from the management of the property or management or operation of a business;
>
> (ii) *the unitholders of the trust do not have day-to-day control over the management of the property*, whether or not they have the right to be consulted or to give directions in respect of such management;
>
> (iii) *the property subject to the trust is managed as a whole by a trustee or by another person on behalf of the trustee*;
>
> (iv) *the contributions of the unitholders and the profits or income from which payments are to be made to them are pooled*; *and*
>
> (v) either —
>
> (A) the units in the trust that are issued are exclusively or primarily non-redeemable; or
>
> (B) the trust invests only in real estate and real estate-related assets specified by the Authority in the Code on Collective Investment Schemes referred to in section 284 of the Securities and Futures Act (Cap. 289) and is listed on a securities exchange; *or*
>
> (*b*) a *class or description of trust that is declared by the Authority, by notice published in the Gazette, to be a business trust* for the purposes of this Act,
>
> but does not include the types of trusts specified in the Schedule;"

71. In Halsbury's Laws of Singapore: Securities (Lexis Nexis, 2014) at paragraph 210.540, a "business trust" is defined as follows (*all emphasis ours*):

"For the purposes of the Securities and Futures Act, 'business trust' means:

(1) *a trust that is established in respect of any property* and that *has the following characteristics*:

(a) the purpose or effect, or purported purpose or effect, of the trust is to enable the unitholders (whether by acquiring any right, interest, title or benefit in the property or any part of the property or otherwise) to participate in or receive profits, income or other payments or returns arising from the management of the property or management or operation of a business;

(b) *the unitholders of the trust do not have day-to-day control over the management of the property*, whether or not they have the right to be consulted or to give directions in respect of such management;

(c) *the property subject to the trust is managed as a whole by a trustee or by another person on behalf of the trustee*;

(d) *the contributions of the unitholders and the profits or income from which payments are to be made to them are pooled*; *and*

(e) either: (i) the units in the trust that are issued are exclusively or primarily non-redeemable; or (ii) the trust invests only in real estate and real estate-related assets specified by the Authority in the Code on Collective Investment Schemes and is listed on a securities exchange; *or*

(2) a *class or description of trust that is declared by the Authority, by notice published in the Gazette, to be a business trust* for the purposes of the Business Trusts Act.

72. **With regard to limb (a) of section 2 of the Business Trusts Act, the requirements under subsections (a)(ii), (a)(iii) and (a)(iv) are unlikely to be satisfied. As covered above, GET token holders have full ownership and control of their GET tokens, retain management of their GET tokens and the GET token holder is not entitled to any profits or income.**

73. **Due to the use of the word "and" between subsections (a)(iv) and (a)(v), the requirements under subsection (a) are conjunctive. Halsbury's Laws of Singapore: Securities (Lexis Nexis, 2014) at paragraph 210.540 reproduced above also makes this clear by the inclusion of the phrase "has the following characteristics" and the use of the word "and" between subsections (1)(d) and (1)(e).**

74. **Therefore, since subsections (a)(ii), (a)(iii) and (a)(iv) are unlikely to be satisfied, it is unlikely that the GET token swap will satisfy the definition of a "business trust" under limb (a) of the definition of a "business trust" reproduced above.**

75. **In addition, with regard to limb (b) of section 2 of the SFA reproduced above, MAS has not officially classified a token swap as a business trust. On this basis, the GET tokens would also be unlikely to fall within limbs (f) and (g) of the definition of "securities" in the SFA.**

76. **Finally, MAS has not officially classified cryptocurrencies as "securities". Therefore, addressing limb (h) of the definition of "securities" in the SFA.**